

Financial Results

Audited Financial Results for the Year ended 31st March, 2010

(Rs.in Mio)

	Stand Alone		Consolidated	
	As at 31-03-2010	As at 31-03-2009	As at 31-03-2010	As at 31-03-2009
Rs Million	Audited	Audited	Audited	Audited
Sales(including excise duty) & operating income	33196.0	28852.6	36513.3	31677.1
Less: Excise Duty	673.3	904.2	759.0	904.2
Net Sales	32522.7	27948.3	35754.3	30772.9
Expenditure				
a. (Increase)/Decrease in Stock	-1474.8	-289.4	-1849.2	89.2
b. Material Consumed	18777.5	16416.2	17792.7	15237.5
c. Purchase of traded goods	193.6	94.7	1267.3	1040.7
d. Staff Cost	2326.2	1771.8	3272.8	2436.7
e. Depreciation/Amortisation	954.6	824.1	1493.4	1276.0
f. Other Expenditure	5204.6	4788.0	7038.9	6795.0
Total Expenditure	25981.7	23605.4	29015.9	26875.1
Profit from Operations before Other Income, interest, tax and exceptional item	6541.0	4342.9	6738.4	3897.8
Other Income	228.1	56.3	389.4	167.0
Profit before interest, tax & exceptional item	6769.1	4399.2	7127.8	4064.8
Interest (net)	523.3	550.6	677.9	838.6
Foreign Exchange (Gain)/Loss (net)	-855.8	2278.2	-1072.6	2500.0
Profit from Ordinary Activities before tax & exceptional item	7101.6	1570.4	7522.5	726.2
Provision for Taxation	1865.9	321.3	1913.6	213.6
a. Current Tax	0.0	290.0	0.0	237.7
b. Deferred Tax	0.0	59.4	0.0	37.5
c. Fringe Benefit Tax (net of recovery)	0.0	5.2	0.0	5.2
d. Tax adjustments of previous years	0.0	-33.3	0.0	-66.8
Profit before Exceptional item & Minority Interest	5235.7	1249.1	5608.9	512.6
Exceptional item (Net of tax)	21.9	36.2	21.9	489.5
Profit before Minority Interest	5257.6	1285.3	5630.8	1002.1
Minority Interest	0.0	0.0	-3.2	-0.5
Net Profit	5257.6	1285.3	5634.0	1002.6
Paid-up Equity Share Capital	278.6	268.8	278.6	268.8
(Face value Rs. 5 per share)				
Reserves excluding Revaluation Reserve	18865.1	12939.5	18012.2	12143.8
Basic Earnings per share before & after Extraordinary items (Rs.)	97.09	23.91	104.04	18.65
Diluted Earnings per share before & after Extraordinary items (Rs.)	83.16	19.86	89.12	15.49
Public Shareholding				
- Number of Shares	24027998	21586483		
- Percentage of Shareholding	43.12	40.15		
Promoters and promoter group Shareholding				
a) Pledged/Encumbered				
- Number of Shares	6792721	23059200		
- Percentage of Shares (as a % of the total shareholding of promoter & promoter group)	21.43	71.66		
- Percentage of Shares (as a % of the total share capital of the company)	12.19	42.89		
b) Non-encumbered				
- Number of Shares	24908118	9119585		
- Percentage of Shares (as a % of the total shareholding of promoter & promoter group)	78.57	28.34		
- Percentage of Shares (as a % of the total share capital of the Company)	44.69	16.96		
SHAREHOLDERS FUNDS:				
(a) Capital	278.6	268.8	278.6	268.8
(b) Reserves and Surplus	18865.1	12939.5	18012.2	12143.8
LOAN FUNDS	19447.8	21146.8	21545.7	23329.7
MINORITY INTEREST	-	-	43.3	31.5
DEFERRED TAX LIABILITY (Net)	950.7	784.0	953.5	790.4
TOTAL	39542.2	35139.1	40833.3	36564.2
FIXED ASSETS (Net) including Capital Work in progress	15448.1	11588.3	22809.3	19350.7
INVESTMENTS	3709.1	2694.1	2.8	2.6
DEFERRED TAX ASSET	-	-	41.7	21.7
CURRENT ASSETS, LOANS AND ADVANCES:				
(a) Inventories	9448.2	7355.2	11024.5	8776.3
(b) Sundry Debtors	11513.5	11056.7	9560.1	8897.6
(c) Cash and Bank balances	45.6	869.4	728.3	1276.5
(d) Other current assets	46.6	174.6	33.4	70.1
(e) Loans and Advances	5729.8	6604.1	3713.1	3869.2
Less: Current Liabilities and Provisions				
(a) Liabilities	-6088.3	-4978.9	-6728.0	-5434.6
(b) Provisions	-310.4	-224.4	-351.9	-265.9
Net Current Assets	20385.0	20856.7	17979.5	17189.2
MISCELLANEOUS EXPENDITURE (Not written off or adjusted)				
PROFIT AND LOSS ACCOUNT	-	-	-	-
TOTAL	39542.2	35139.1	40833.3	36564.2

Notes:

- The audited financial results as reviewed by the Audit Committee have been approved by the Board at its meeting held on May 29, 2010.
- The consolidated audited financial results have been prepared in accordance with AS - 21 on 'Consolidated Financial Statement', AS-27 'Financial Reporting of Interests in Joint Ventures' and includes audited financial results of all subsidiaries and Joint Ventures.
- The Company's operations fall within a single primary business segment viz. 'Pharmaceutical Products'.
- Investor complaints pending at the beginning of the quarter: Nil, received:63, resolved: 63 and lying unresolved at the end of the quarter Nil.
- FOB value of exports is Rs.20863.7 Million (Rs.17466.5 Million).
- Sales include dossier income in standalone of Rs.1178.6 Million (Rs.788.1 Million) and in consolidated of Rs.1977.41 Million (Rs.1424.2 Million).
- Foreign Exchange (Gain)/ Loss for the year represents exchange differences arising on all foreign currency transactions. This includes net gain due to restatement, conversion and buyback of Foreign Currency Convertible Bonds (net of Deposits) Rs.1139.2 Million (loss of Rs.2232.4 Million).
- The Company has preferred an appeal before Division Bench of Honourable High Court of Andhra Pradesh against the order of dismissal of the Scheme of Arrangement under Sections 391 to 393 read with Sections 100 to 103 of the Companies Act, 1956 for utilization of capital profit on buyback and cancellation of FCCBs, balance in capital redemption reserve account to adjust certain expenses as defined in the Scheme. In the absence of approval, capital profit on buyback and cancellation of FCCBs aggregating to Rs. 21.9 Million has been taken to Profit and Loss Account as an Exceptional item.
- The Honourable High Court of Andhra Pradesh vide its Order dated March 30, 2010, sanctioned the Scheme under Sections 391 to 394 of the Companies Act, 1956 for amalgamation of Trident Life Sciences Limited (TSL), a wholly owned subsidiary of the Company, with effect from October 1, 2009, being the appointed date. Accordingly, erstwhile TSL has amalgamated with the Company with effect from October 1, 2009. All the assets, liabilities and reserves of erstwhile TSL were transferred to and vested with the Company and has been accounted for under the 'pooling of interests' method as prescribed under AS-14 'Accounting for Amalgamations'. No equity shares were issued by the Company to effect the amalgamation as erstwhile TSL was a wholly owned subsidiary company.
- Further, as per above sanctioned Scheme of Amalgamation, the Authorised Share Capital of the Company has increased from Rs.600 Million divided into 100 Million Equity shares of Rs. 5/- each and 1 Million Preference Shares of Rs. 100/- each to Rs. 760 Million divided into 132 Million Equity shares of Rs. 5/- each and 1 Million Preference Shares of Rs. 100/- each.
- The paid up share capital of the Company has increased during January-March 2010 to Rs. 278.6 Million as a result of allotment of 1,730,418 Equity Shares of Rs. 5 each for cash at premium of Rs. 517.036 upon request received for conversion of FCCBs worth USD 20.818 Millions, out of USD 60 Million issue in terms of the offer document. Further, 558,077 Equity Shares were similarly allotted during April-May 2010 by conversion of FCCBs worth USD 6.714 Millions, out of USD 60 Million issue. Accordingly, as on date the paid up share capital of the Company has increased to Rs. 2,81.4 Million. Further as on date request received for conversion of FCCBs worth USD 2 Million, out of USD 60 Million issue, is pending.
- In respect of matter referred to in the auditors' report for the year ended March 31, 2010 in relation to non-provision of premium on redemption of 162,268 (excluding 2000 deposited for conversion) Zero Coupon Foreign Currency Convertible Bonds (FCCBs) of USD 1000 each, the management is of the view that it is contingent in nature, as determination and crystallization of liabilities is dependant on uncertain future events or actions, not holding within the control of the Company.
- The Board recommended final dividend @ 40% on the equity share capital of the Company i.e Rs.2/- per share subject to approval of members. This is in addition to interim dividend @60% on equity share capital of the Company i.e.Rs.3/- per share paid in February 2010.
- The current year figures include those relating to erstwhile TSL amalgamated with the Company and therefore the figures of the previous year are not comparable with those of the current year. Further, the figures for the previous year have been rearranged/ regrouped wherever necessary.

By Order of the Board

Place: Hyderabad
Date : may 29, 2010

K.Nityananda Reddy
Managing Director